

State of California
BOARD OF EQUALIZATION
USE FUEL TAX REGULATIONS

Regulation 1325. ANNUAL FLAT RATE FUEL TAX.

Reference: Sections 8604, 8613, 8619, 8651, 8651.5, 8651.7, Revenue and Taxation Code.

(a) IN GENERAL. In lieu of paying the use fuel tax on the basis of the number of gallons used, the owner or operator, except an interstate user, of a motor vehicle propelled by a system using liquefied petroleum gas, liquid natural gas, or compressed natural gas, who operates the motor vehicle exclusively within the State, may elect to pay the fuel tax for the use of such fuels on an annual flat rate basis according to the following fee schedule:

<i>Unladen weight</i>	<i>Fee</i>
All passenger cars and other vehicles 4,000 lbs. or less	\$ 36
More than 4,000 lbs. but less than 8,001 lbs.	72
More than 8,000 lbs. but less than 12,001 lbs.	120
12,001 lbs. or more	168

The flat rate fee is an annual tax. The annual period shall be that period from the end of the month in which the tax was paid to the end of the month prior in the following calendar year. When an owner or operator elects to pay the annual flat rate fuel tax on more than one vehicle, the owner or operator may request that the board prorate the tax due on a vehicle added during the annual period, so that all vehicles have the same annual period. In the year a vehicle is added, the annual flat rate fuel tax for that vehicle shall be calculated by dividing the fee by 12 and multiplying the resulting amount by the number of months remaining before the beginning of the next annual period.

(b) IDENTIFICATION DECAL. Any person who desires to pay the annual flat rate tax under this regulation must secure a use fuel tax permit, pay the required tax to the board, and obtain from the board an identification decal for each vehicle with respect to which the annual flat rate tax has been paid. The decal shall be affixed to the vehicle by an agency or person authorized by the board. The decal shall not be transferred to another vehicle.

(c) ANNUAL RETURNS. Any person may file annual use fuel tax returns if the only use of fuel of a kind taxable under the Use Fuel Tax Law is in vehicles with respect to which the annual flat rate fuel tax fee has been paid for the period during which the vehicle is operated. Any person authorized under this regulation to file returns on an annual basis and who uses fuel subject to the tax (other than fuel purchased tax paid and used in a private passenger automobile) shall advise the board of such use prior to the last day of the month following the month in which the taxable use occurred. The board may require such person to file returns on other than an annual basis.

History: Adopted November 19, 1975, effective January 1, 1976.

Amended August 24, 1988, effective November 11, 1988. In subdivision (a) amended to include provisions clarifying the option of certain owners or operators of vehicles to pay tax based on gallons used or on a flat rate basis.

Amended December 9, 1998, effective May 20, 1999. In first sentence of subdivision (a), added "except an interstate user" after "operator", "motor" before "vehicle", and "who operates the motor vehicle exclusively within the State" after "natural gas". Deleted "The period for which the annual fee payment shall apply will be any twelve month period beginning with the month in which payment is made" after first sentence of second paragraph, and added "The annual period shall be..." Replaced "emblem" with "decal" in subdivision (b).